



September 3, 2021

The Honorable Nancy Skinner, Chair
Senate Committee on Budget & Fiscal Review
State Capitol, Room 5094
Sacramento, CA 95814

The Honorable Phil Ting, Chair
Assembly Committee on Budget
State Capitol, Room 6026
Sacramento, CA 95814

The Honorable Jim Nielsen, Vice Chair
Senate Committee on Budget & Fiscal Review
State Capitol, Room 5064
Sacramento, CA 95814

The Honorable Vince Fong, Vice Chair
Assembly Committee on Budget
State Capitol, Room 2002
Sacramento, CA 95814

RE: PROPOSED EFFORTS TO TIE PAID SICK LEAVE EXTENSION TO CRITICAL LIABILITY PROTECTION

The organizations listed above are in strong opposition to any attempt to introduce last-minute budget language that attempts to tie critically important efforts to increase employee vaccination rates with yet another series of expensive and onerous mandates on employers. Such a bill will only increase financial burdens on the business community and interfere with the state's and business community's ongoing attempts to increase vaccination rates among all eligible Californians.

As you know, many in the business community, including our organizations, supported draft bill language providing needed liability protections for employers looking to increase vaccination rates among their employees. In an unusual step, and to show you and your colleagues the vital need for such protections in good faith, we made our position public prior to the amendments being introduced.

Businesses of all sizes have collectively spent hundreds and hundreds of millions of dollars during the pandemic to keep customers and employees safe. It is also the business community that developed, manufactured, delivered and, in many cases, administered live-saving COVID-19 vaccines. We have been a partner with the state since the beginning, working to donate PPE when it was scarce, shutting down entire sectors of the economy to slow the spread of the virus, and helping to expedite vaccine distribution when state efforts stalled.

Some businesses are already requiring employee vaccination, despite the legal uncertainty. But for many businesses, especially small businesses, the state's worst-in-the-nation litigation environment makes imposing further vaccine requirements extremely risky. The assurances provided to employers that they are shielded from frivolous lawsuits would have paved the way for even more businesses to take action to increase vaccination rates among their employees and undoubtedly save lives – without further financial burden on businesses still struggling to recover.

Now, we understand that there are last-minute budget discussions tying liability protections to extending paid sick leave beyond the requirements imposed by existing law and the Cal/OSHA Emergency Temporary Standard. We oppose attempts to make a measure simply to clarify existing law— but one that could increase vaccination rates—contingent on businesses agreeing to yet another expensive mandate. These are two separate and distinct issues that should be debated separately.

The business community is once again asking for a simple and clear legal liability bill that does not impose further financial burden on businesses. Employers should not be financially responsible for providing tests to employees who refuse to get vaccinated and request testing as a reasonable accommodation. Such a cost burden will deter more businesses from enacting new vaccine requirements and hamper efforts to increase vaccination rates.

Thank you,

ROB LAPSLEY
President, California Business Roundtable

RACHEL MICHELIN
President and CEO, California Retailers Association

JOHN KABATECK
State Director, National Federation of Independent Business, California

LUCY DUNN
President and CEO, Orange County Business Council

REX HIME
President and CEO, California Business Properties Association

LYNN MOHRFELD
President and CEO, California Hotel and Lodging Association

TRACY HERNANDEZ
President and CEO, BizFed Los Angeles

cc: Governor Gavin Newsom
Members, California Legislature
Dee Dee Myers, Senior Advisor to the Governor and Director of the Governor's Office of Business and Economic Development (GO-Biz)